

November 18, 2005

ISS Majority Voting Policy

Institutional Shareholder Services (ISS) today released its policy regarding majority voting. ISS will consider recommending a vote against a precatory or binding shareholder proposal requiring that directors be elected by an affirmative majority of votes cast if the company has adopted a formal corporate governance principle that presents a “meaningful alternative” to the majority voting standard. The governance principle must incorporate the following elements to adequately address each new and incumbent director nominee who fails to receive an affirmative majority of votes cast in an election:

- Annual proxy statement disclosure of the established guidelines for the process to be followed regarding the nominee;
- A clear and reasonable timetable for all decision-making regarding the nominee;
- Management of the process by independent directors, and exclusion from the process of the nominee at issue;
- An outline of a range of remedies that can be considered regarding the nominee; and
- Prompt disclosure of the final decision in an SEC filing, including a full explanation of how the decision was reached.

A company adopting such a governance principle should also explain why the principle is the “best structure” at such time in terms of accountability to shareholders. ISS, in reaching its recommendation on a majority vote proposal, will review a company’s history of accountability to shareholders, including taking into account a classified board structure and a history of ignoring majority approved shareholder proposals.

It is clear today that majority voting will become universal. In light of ISS’ position and in an effort to avoid shareholder proposals for proxy inclusion and subsequent requests for no-action relief from the SEC, we believe that it is advisable for companies to adopt proactively a corporate governance principle along the lines of the model principle attached, which we believe satisfies the ISS guidelines. Some majority voting proponents are insisting on a true majority vote requirement, rejecting the corporate governance principle approach of a tendered resignation and calling for the majority vote requirement to be included in a company’s charter or bylaws and not the corporate governance guidelines. It remains to be seen whether the SEC will permit a company to omit from its proxy statement a precatory or binding shareholder proposal submitted under Rule 14a-8 if the company has addressed the issue in its corporate governance guidelines using a governance principle meeting ISS standards. It also remains to be seen whether a majority voting shareholder proposal which ISS recommends against (and which the SEC does not permit to be omitted from the proxy statement) will nonetheless garner support of institutional investors and be adopted by shareholders.

It is important to note that the ISS guidelines require that the corporate governance principle address the situation where the director nominee receives “withhold” votes from the affirmative *majority of votes cast*, as opposed to a *majority of the shares outstanding*, notwithstanding our best efforts to convince ISS to adopt the majority of the shares outstanding standard. While we continue to believe that that the majority of the outstanding shares standard is the better approach, we recognize that the position is not shared by ISS and some institutional shareholders and, because of the importance of trying to put the issue to bed and avoid the adversarial proxy proposal process from continuing, we recommend the adoption of a governance principle which satisfies ISS guidelines.

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Model Corporate Governance Principle on Majority Voting

In an uncontested election of Directors (*i.e.*, an election where the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election will promptly tender his or her resignation to the Chairman of the Board following certification of the shareholder vote.

The Nominating and Corporate Governance Committee will promptly consider the resignation submitted by a Director receiving a greater number of votes “withheld” from his or her election than votes “for” his or her election, and the Nominating and Corporate Governance Committee will recommend to the Board whether to accept the tendered resignation or reject it. In considering whether to accept or reject the tendered resignation, the Nominating and Corporate Governance Committee will consider all factors deemed relevant by the members of the Nominating and Corporate Governance Committee including, without limitation, the stated reasons why shareholders “withheld” votes for election from such Director, the length of service and qualifications of the Director whose resignation has been tendered, the Director’s contributions to the Company, and the Company’s Corporate Governance Guidelines.

The Board will act on the Nominating and Corporate Governance Committee's recommendation no later than 90 days following the date of the shareholders’ meeting where the election occurred. In considering the Nominating and Corporate Governance Committee’s recommendation, the Board will consider the factors considered by the Nominating and Corporate Governance Committee and such additional information and factors the Board believes to be relevant. Following the Board’s decision on the Nominating and Corporate Governance Committee's recommendation, the Company will promptly publicly disclose the Board’s decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more Directors’ resignations are accepted by the Board, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any Director who tenders his or her resignation pursuant to this provision will not participate in the Nominating and Corporate Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Nominating and Corporate Governance Committee received a greater number of votes “withheld” from their election than votes “for” their election at the same election, then the independent Directors who are on the Board who did not receive a greater number of votes “withheld” from their election than votes “for” their election (or who were not standing for election) will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent Directors who did not receive a greater number of votes “withheld” from their election than votes “for” their election or who were not standing for election.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.